



February 5, 2010

Congresswoman Tammy Baldwin
2446 Rayburn Building
Washington, D. C. 20515

Dear Congresswoman Baldwin:

I want to thank you for supporting the competitiveness of Wisconsin and U.S. dairy industries through the Babcock Institute for International Dairy Research and Development. As you know, Babcock works on a suite of issues that are of continuing importance to the Wisconsin and U.S. dairy industries, including international trade policy, the emergence of new markets and new competitors, and strategies to make the best use of leading technologies from around the world. The Institute accomplishes this through international economic and biological research, creation of multilingual courses and training materials, by building links to trade partners, and with conferences that bring international expertise to our dairy industries. In 1999 and 2006, the State of Wisconsin recognized the Babcock Institute's work with the Governor's Award for Excellence in Promoting Wisconsin Exports. Please allow me to review some of the Institute's new work.

The Babcock Institute adapts and revises its objectives and activities as the world dairy situation evolves. Thus over the past several years the Institute has developed strong links with leading dairy professionals in China, where demand for dairy products is growing exponentially. In 2004, the Institute formed the Sino-U.S. Dairy Center in partnership with the China Agricultural University in Beijing. This Center holds large dairy seminars for China's leading dairy enterprises and in so doing provides an exhibition showcase and personal contacts for Wisconsin exporters. Not only does this benefit large U.S. firms and organizations, like Shawano, Wisconsin's Cooperative Resources International (one of the world's top artificial insemination companies) and the U.S. Holstein Association, which exhibit at the workshops, but it also opens trade opportunities for smaller Wisconsin firms, such as Humane Manufacturing (cow mattresses) and Patz Sales, Inc. (feed mixers, manure handling equipment).

The Babcock Institute provides many new contacts and resources for Wisconsin's agricultural export efforts. The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) has participated in six of the Babcock Institute Sino-U.S.

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Dairy Center Seminars held in China and has been introduced to more than a thousand Chinese dairy industry leaders, dairy processors, farm managers and farmers. Specifically, from 2006-2009, DATCP was able to identify 18 top Chinese importers of feed, seed, equipment and farm supplies from the Babcock Institute seminars. For these four years they obtained USDA-FAS support to bring teams of buyers from China to the World Dairy Expo. There the buyers met with companies that export Wisconsin-produced dairy livestock feed products and equipment. Direct export sales resulted from this activity: 2006 - \$1,500,000; 2007 - \$12,000,000; 2008 - \$2,000,000 (2009 sales not available). DATCP has a new USDA-FAS grant for World Dairy Expo 2010, and plans to recruit its buyers group during the seventh Sino-US Dairy Center Seminar in Hangzhou in April, 2010.

According to Dan Vogel, recently retired livestock expert and 30-year veteran of DATCP:

“Without the valued contacts and well-run international education activities of the Babcock Institute, it is uncertain if the Chinese buyers’ activity would have achieved such a high degree of sales success, generating sales of \$15.5 million dollars to Wisconsin businesses in just three years. It is important for us to note that contacts from the Babcock Institute’s China activities also resulted in new distributors for Wisconsin agricultural products throughout China. Sixteen new distributors were established from 2006-08 as a result of Babcock’s connections. Increasingly dairy farmers and food producers around the world are buying Wisconsin-made equipment and management systems . . . , which creates jobs throughout Wisconsin.”

The Babcock Institute has also played a vital role in the implementation of training and educational programs for the DATCP’s International Agribusiness Center, which hosts around 20 foreign delegations every year. Since many of these delegations are responsible for writing food and agricultural product import law, the Babcock Institute is able to demonstrate the science behind the regulation allowing the delegations to write agricultural import law based on science not politics. In this way, the work of the Institute has helped open new markets around the world leading to record agricultural exports.

The Babcock institute has also responded to the rise of India’s middle class and its strong demand for dairy products. The Babcock Institute initiated linkages with the Rajiv Gandhi Charitable Trust, which is working in the dairy region destined to become critical to New Delhi’s growing middle class. The program assists women’s self-help groups who are responding to the increased demand. It thus helps alleviate poverty in this dairy

region and gets the U.S. in on the ground floor as that segment of the Indian dairy industry emerges and begins to demand the kind of inputs the U.S. can provide. Babcock's initial links with the region allowed UW to submit a proposal to USAID/India's Partnership for Innovation and Knowledge in Agriculture program. The proposal was successful and resulted in a \$950,000 grant to UW in 2008 to partner with the Rajiv Gandhi Charitable Trust on dairy development and with Mahindra and Mahindra for creation of a national network of soil testing laboratories. The two partners have committed over \$3 million to the program. This two-year project is a springboard for developing further Babcock linkages into this important dairy market.

Babcock also strengthens ties to the strong and growing Mexican market, and at the same time, helps Wisconsin farmers maximize the value of their Hispanic dairy workers. The Institute has worked closely with UW-Extension to create practical English/Spanish training materials used by farmers and Extension agents to train Hispanic employees on Wisconsin dairy farms. A key Mexican partner has been the Fundación Produce, a network of government, producers and extension personnel in Mexico. Through the Institute's relationship with the Fundación and with a grant from USAID, Babcock has been able to provide dairy cow and sheep training in Wisconsin to two groups from Querétaro, Mexico. These relationships make possible a valuable exchange of information and best practices between our producers and are building valuable relationships with Mexico's agricultural leaders.

The Babcock Institute's trade research includes detailed country studies – including a recent paper on Mexico, one of the largest U.S. trading partners and large importer of U.S. dairy genetics. Babcock's researchers will next study Canada, a major dairy trading country that consistently ranks second to Mexico as the largest export market for dairy products and usually the largest exporter of dairy products to the U.S. Outlets of the Institute's trade and market research are the one-page quarterly *International Dairy Notes* and longer *Discussion Papers*, which are sent to the Wisconsin legislative offices in Washington and Madison, and to Wisconsin's dairy industry leaders. This information is intended to help U.S. firms and policymakers develop appropriate strategies and policies to exploit export opportunities and to accommodate the actions of foreign dairy companies and foreign governments in exporting countries.

Current biological research funded by the Babcock Institute includes a collaborative study by UW-Madison and Belgian dairy scientists testing new methods to measure detailed nutritional and manufacturing properties of milk. It is important to know the specific fatty acids (saturated versus unsaturated and monounsaturated versus

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polyunsaturated) in milk as they have a major impact on the human health attributes of dairy products. In addition, the new milk testing methods will more accurately determine the concentrations of specific milk proteins and whey proteins in milk, information that is crucial for cheese making.

Please contact me if I can answer any questions or provide further information or assistance.

Sincerely,

A handwritten signature in cursive script, reading "Irwin L. Goldman". The signature is fluid and elegant, with the first and last names being more prominent.

Irwin L. Goldman
Interim Dean and Director

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